

BoeKnows Real Estate

Your Questions from Real Estate Buyers, Sellers, & Agents

By Patti Boe

Q. Please give the latest news in local home sales. Should I wait a while longer, or are we at the bottom before I buy (or sell)?

A. This is my most frequently asked question from clients. Good news for a change. Historically, Santa Cruz gets a trickle down effect from San Francisco and Silicon Valley home sale trends. According to DataQuick Information Systems, **April sales were up 30% from March.** This is the highest percentage rise in 20 years. This could be the first sign that the market has bottomed out, says analyst Andrew LePage. One month doesn't make a trend, but there's some momentum.

Avram Goldman, client executive officer of Pacific Union GMAC Real Estate said there's a growing sense that consumer sentiment is shifting in the marketplace. People are increasingly submitting offers. Says Goldman, I think buyers are really regaining the confidence that we might be right at the bottom. There are still areas like Contra Costa County where the bottom may still not be here. Sales climbed there, but prices fell considerably. The good news is that months of price declines have also placed home ownership within reach of more people according to the California Association of Realtors. Thirty percent of Bay Area residents could finally afford to buy an entry-level home - up from 24% last year.

Ken Rosen, chairman of UC Berkeley's Fisher Center for Real Estate and Urban Economics, believes some zip codes in San Francisco and Santa Clara also saw slight year-over-year increases in sales and only small price declines. That relative strength reflects the still robust job market in those areas and is more representative of the true state of the region's housing market because those areas (such as Santa Cruz) have had fewer foreclosures, which depress prices. Rosen also said that **Foreclosures in certain submarkets are biasing the data.**

The San Jose Business Journal recently reported that Silicon Valley added 11,700 jobs - a 1.3% increase - in April compared to one year earlier. **The job gains mark the 43rd consecutive month of year-over-year increase.** Manufacturing led the way, adding 4,200 jobs over the year. More than 4/5 of the gain was in computer and electronic products. **Total industry employment** in the San Francisco-San Mateo-Redwood City metro statistical area **rose by 22,600 jobs or 2.3%.** Professional and business services expanded by 8,900 jobs; 2/3 of the increase occurred in professional, scientific and technical services. For the 51st consecutive month, leisure and hospitality registered a gain on a year-over-year basis. Full-service restaurants garnered 30% of an added 5,300 jobs, with significant increases also in other eating places, in hotels, and in the arts, entertainment, and recreation according to the past week's Business Journal.

This helps us see the real reason our San Francisco/Monterey Bay Area seems to dodge the big bullets experienced by the rest of the country. My friends driving in Silicon Valley even see the results of the above stats with auto traffic seemingly at before-the-tech-bust flow lately.

Longtime KCBS radio traffic reporter, Ron Lyons, said he noticed increased congestion recently: A year ago, traffic on the Bay Bridge wasn't bad until 7:30AM. Now it starts to back up at 6:15AM. Ken Delaney, a mobile devices analyst for Gartner, observes: All I can say is that when (the) dot-com (boom) started, that was my indicator that something was going on I drove yesterday and saw the same thing. **It's the best leading edge predictor I see.** WebTV and Danger co-founder, Andy Rubin, sees signs that things are picking up. From his perspective, drivers seem to be more polite, whereas during the worst part of the downturn, there was more road rage: Personally, I encounter more intolerant drivers during a downturn. Says Rubin, I guess these are the people who are facing the most pressure from their jobs, investments, and mortgages. Laurie Rieger, a spokesperson for Microsoft says, I don't like traffic, but it's nice to know people are working. Think about Rieger's view of traffic next time you are in line on Highway 1 or 17: Turn the music on and let the good times roll !!

Popular school district areas such as Cupertino, Saratoga, Los Altos, and Palo Alto have had almost no price declines. Most Santa Cruz Realtors see similar durability in prices along the coast here and also in local popular school district areas.

We are pretty lucky to live in this microcosm of beach, beauty, and jobs. Our own Santa Cruz area stats even show a 50% increase in home sales and a slight increase in prices from March to April.

Again, don't wait. Now is the time for action. Please call Patti at 831-345-8040 for best buys on the MLS, or see my own secret stuff on PattiBoe.com. Have a Happy, Safe Memorial Day weekend!

Call Patti Boe 800-738-3261, See PattiBoe.com

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Patti@PattiBoe.com

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